# SASKATCHEWAN CENTRE OF THE ARTS

*ANNUAL REPORT*

2003—2004

www.saskcentreofthearts.com

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# LETTER OF TRANSMITTAL

To Her Honour
The Honourable Lynda Haverstock
Lieutenant Governor
Province of Saskatchewan

May it Please Your Honour:

In accordance with Section 27(1) of the Saskatchewan Centre of the Arts Act, 2000 (Chapters S-10.1), I hereby submit the Thirty-Fourth Annual Report on the activities of the Centre for the period from April 1, 2003 to March 31, 2004.

Respectfully submitted.

Joanne Crofford

Honourable Joanne Crofford
Minister in Charge

# LETTER FROM THE CHAIR

The Saskatchewan Centre of the Arts is pleased to submit the 2003-04 Annual Report. The Centre has had a very exciting year and has been very successful in contributing to the artistic, entertainment, educational and cultural diversity of communities in Saskatchewan in a fiscally responsible manner.

I am pleased to report that the wide variety of entertainment and convention/catering events saw approximately a quarter of a million patrons participate in one way or another at the Centre of the Arts this year.

The programming was certain to hit all age groups as our patrons enjoyed performances such as—The Regina Symphony Orchestra, Little Bear, Roy Clark, Bjorne Again, Nana Mouskouri, Miss Saigon, Rory Allen, The Rat Pack, Magic of the Dance, Don Williams, Hurone Carole, Stuart McLean, Jann Arden, Opera Saskatchewan's Cinderella and Tom Jones—just to name a few.

In addition to the diverse entertainment schedule the Centre was host to a wide variety of fund raising banquets, award dinners, conferences, meetings, etc., including Festival of Trees, Chili for Children Banquet, CFL Players Awards, The Grey Cup Gala, The Canadian Liver Foundation, The YWCA Women of Distinction Awards, Daughter's of Penelope, Pheasants Forever, graduation banquets and ceremonies, major conferences, and many, many more special events and special memories.

On behalf of the Saskatchewan Centre of the Arts Board of Directors, we commend the Centre staff for their hard work and dedication.

In accordance with Section 27(1) of the Saskatchewan Centre of the Arts Act, 2000 (Chapter S-10.1), I hereby submit the Thirty-Fourth Annual report on the activities of the Centre for the period April 1, 2003 to March 31, 2004.

Sincerely,

John-Paul Ellson

105-00280/

# BOARD OF DIRECTORS

JOHN PAUL ELLSON—CHAIR
LLOYD BOUTILIER—VICE-CHAIR

HONOURABLE JOANNE CROFFORD—
MINISTER IN CHARGE

GLAYNE AXTELL—REGINA
GARY BOSGOED—REGINA
LORI GAY GALLAWAY—ESTEVAN
DARLENE HINCKS—REGINA
BRYAN LEIER—SEDLEY
DON LIST—REGINA
LEAH MCDONALD—REGINA
DAN WELSH—REGINA



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## PATRONS

**Patrons Council Members**

H.B. Bell Family
Doris and Charles Knight
Dr. Morris and Jacqui Shumiatcher

Crown Life Insurance
Pepsi Bottling Group (Canada) Co.
SaskTel
Taylor Automotive Group

## MANAGEMENT

**Jim McCrum**—Executive Director

**"THIS INDUSTRY IS OUR PASSION!"**

**Pat Beanland**—Finance & Administration Manager
**Brent Elsner**—Sous Chef
**Chad Guy**—Theatre and Box Office Manager
**Leo Pantel**—Executive Chef
**Colette Perras**—Bar Services Manager
**Jerry Senko**—Operations Manager
**Lynn Severt**—Client Services Manager

# MISSION AND GOALS

## MISSION

To enhance the quality of life for the people of Saskatchewan by providing exceptional facilities, programs and services for entertainment, educational and cultural activities in a cost effective manner.

## GOALS

To provide quality facilities, programs and services for entertainment, educational and cultural activities.

To contribute positively to the artistic, entertainment, educational and cultural communities in Saskatchewan.

To engage in entrepreneurial activities to promote the use of the Centre.

To develop a positive relationship with government, media, public and all related organizations and individuals.

To promote arts and educational activities for all ages, with special attention to the youth to ensure continual audience development now and in the future.

To provide opportunity for staff development to building a high level of morale and productivity.

To operate in a fiscally responsible manner.

To solicit funds in order to further the objectives of the Centre.

# EXECUTIVE DIRECTOR'S REPORT

The Saskatchewan Centre of the Arts has enjoyed another exciting year. Presenting the Broadway musical Miss Saigon in July was a wonderful opportunity to once again bring world-class entertainment to the Province.

The wide variety of entertainment and events that was offered at the Centre during the year provided an opportunity for many people of Saskatchewan to attend the Centre of the Arts in fact we presented 94 theatrical productions this year.

The Centre has been fortunate to continue to attract support for our on-going 'Capital Campaign Fund' which will help to address the current and future needs of the Centre.

The location and beauty of the Centre is a huge asset, however, the Centre's biggest asset is our employees. We are privileged to have staff who share a passion for our industry. They are knowledgeable and professional and have a deep commitment to the success of the Centre.

We also thank our patrons. With each and every convention or catered event we ensure that the doors of our performing arts theatre remain open. This year 610 catering and convention events were held at the Centre ranging from dances, meetings, dinners, banquets, luncheons, receptions, trade shows, teas, weddings, anniversary parties and conventions with attendance of over 90,000 guests. With the high cost of operating a performing arts theatre we rely heavily on this business to support our theatre. It is through this support by our catering and convention clients that the Centre is able to offer a wide variety of professional arts and entertainment. This also provides the opportunity for hundreds of Saskatchewan artists to showcase their talents on one of the finest stages in Canada.

I look forward to what is to come.

Respectfully submitted,

Jim McCrum,
Executive Director

To provide quality facilities, programs and services for entertainment, educational and cultural activities.

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# FACILITIES

**"It is always a great pleasure to host our Golf Expo at the Centre of the Arts."** *Craig Rogers, President Western Show Productions*

The Saskatchewan Centre of the Arts was built as a permanent commemoration of Canada's Confederation. The Centre provides outstanding theatrical facilities, convention space and meeting rooms. The Centre features The Shirley Bell Theatre, a 2033 person acoustically perfect theatre that is the heart of the Centre of the Arts. We were excited to replace our Grand Drape this year. Receptions up to 700 guests or banquets up to 500 guests can be held on stage.

**"Once again every staff member of the Centre Arts did an excellent job. If there was a problem or question I had, someone was always available. I feel at ease and comfortable working with the Centre of the Arts—we have a good working relationship."** *Kristine Lang, S.A.R.M.*

**"We are very proud of the Centre of the Arts and all it has to offer. We found the entire staff and experience a very pleasant experience. The Cuisine was extraordinary."** *Doris Knight, Opera Saskatchewan*

The H.B. Bell Family Lobby features interior and exterior balconies and five magnificent windows which are complemented by the pristine beauty of the view of Wascana Park. Doris Knight Hall Convention and Banquet area is remarkably flexible. The Jacqui Shumiatcher Room is a versatile space which is ideal for smaller, more intimate gatherings.

The Centre also features eight other smaller meeting rooms.

**"Excellent Food"** *Jim Kostal, Regina Motor Products*

To solicit funds in order to further the objectives of the Centre.

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# FUND SOLICITATION

The Centre strives to attract funding from both the corporate and private community and in doing so we are able to further the objectives of the Centre and develop community support in Saskatchewan. The Centre continues to form relationships with local businesses in a way that is beneficial to their sales objectives and the Centre's goals.

The Centre's Capital Campaign Fund continues to be successful due to the on-going support of private individuals and corporations who recognize the Centre as an important part of the community. Thanks to the commitment from our Patrons Council Members the Centre has been able to continue with our capital programming improvements.

Our Patrons Council Members include:

***H.B. Bell Family***
***Doris and Charles Knight***
***Dr. Morris Shumiatcher and Jacqui Shumiatcher***
***Taylor Automotive Group***
***The Pepsi Bottling Group (Canada) Co.***
***SaskTel***
***Crown Life Insurance Company***

Through the generous donations from these individuals and businesses the Centre is again becoming the magnificent, state of the art, multi-purpose facility it once was and the pride of our community.

Donations made to the Centre's Capital Campaign will also assist in establishing a long term fund which will ensure that the Centre is able to provide first quality services for years to come.

To develop a positive relationship with government, media, public and all related organizations and individuals.

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## RELATIONSHIPS

**"It is a pleasure to come to the Centre because of the staff."** *Mrs. J. Shumiatcher*

The Saskatchewan Centre of the Arts has many partners including our tenants, individuals within the community, youth, our patrons and the Saskatchewan public.

The Saskatchewan Centre of the Arts continues to work with various organizations and special interest groups to ensure that the Centre can provide entertainment, special event and convention needs to all demographics. We were pleased to work with Partners in Motion to assist them in their filming of "Disasters of the Century" for History Television this year.

The Centre has expanded our outreach especially with the inner-city and has expanded our Senior's Bunch on New Year's Eve due to the popularity of this inexpensive, fun event. The Centre was proud to be a part of the City of Regina's 100th Anniversary Celebration in June.

The Centre had developed a marketing strategy to encourage various ethnic groups to use the Centre of the Arts for their celebrations, meetings, banquets and other events. We continue to work with many of these organizations to custom design menus as well as themed events.

**"Overall Experience at the Centre hosting our son's Bar-Mitzvah was FANTASTIC." Mark Atnikov**

**"Thanks for everything—it was super!" Erin Marchuck, Arthritis Society—Jingle Bell Run**

To contribute positively to the artistic, entertainment, educational and cultural communities in Saskatchewan.

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# SERVING COMMUNITIES

**"The set up on stage was the best it has ever been. All the staff were great."**
Bev Liski, University of Regina

The Saskatchewan Centre of the Arts provides not only a world class theatre but also affordable meeting, convention and banquet space in the heart of Wascana Park with award-winning catering facilities.

The Centre of the Arts is an organization which supports culture, creativity, excellence and a commitment to Saskatchewan. This is evident in everything we do, from banquets of 20 or 1200 to the children performing live on our magnificent stage during the Saskatchewan Youth Ballet Recital to the world class performers of Miss Saigon. We treat each event with the highest level of professionalism and expertise.

We are dedicated to culture for the long term and continue to work with youth groups, schools and organizations to build our audiences of the future.

**Food for thought**: The Saskatchewan Centre of the Arts understands the importance of investing time and money in hunger programs and food education events. We are committed to The Carmichael Outreach Centre, The Regina Food Bank and to Regina's Chili for Children Program. We continue to partner with Chili for Children to ensure that inner-city children not only have nutritious meals but also some cultural entertainment as part of their lives. We are proud of our staff's dedication and commitment to these programs.

**"Very professional and helpful staff and would be pleased to work with them again. They are the best!!! The food and service for the Centennial VIP Tent was Excellent. The assistance with the entertainment was wonderful. Thanks!"**
Stacy Riggs, City of Regina

**"Thanks for everything! You guys are great."**
Dave Todd, Chili for Children

# SERVING COMMUNITIES

## Theatre Statistics

Totals—Events—Attendance

94 93266

## Convention Statistics

Totals-Events-Attendance

610 93409

# SERVING COMMUNITIES

The Shirley Bell Theatre once again played host to a wide variety of events in 2003-2004.

## APRIL 2003

Regina Symphony Orchestra—Orchestre Symphonique

Little Bear

Roch Voisine

Roy Clark

Andre-Phillipe Gagnon

Regina Symphony Orchestra –Young Musicians Concert

Regina Symphony Orchestra—Orchestral Concert

Ben Heppner

Bjorne Again

## MAY 2003

Regina Symphony Orchestra—Master Works

Regina Symphony Orchestra—Swing, Swing, Swing

Saskatchewan Express Recital

Nana Mouskouri/John McDermott

O'Neill High School Choir

Youth Ballet Dance Recital

# SERVING COMMUNITIES

## June 2003

Dance Plus Recital
2 Performances

Danskapades '03—Martin School of Dance
2 Performances

## July 2003

Miss Saigon
7 Performances

## September 2003

Seniors Fun Day

Rory Allen

Regina Symphony Orchestra

Cattle Call Beef Fundraiser

The Rat Pack

Western Canadian Music Awards

The Living Legends of Country Music

## October 2003

Regina Symphony Orchestra - Romance of the Rhine

University of Regina Convocation

Magic of the Dance

Regina Symphony Orchestra—Halloween Hoot

Bridal Show

# SERVING COMMUNITIES

## November 2003

Saskatchewan Honour Groups

Don Williams

Youth Ballet Anniversary

Regina Symphony Orchestra—Salute to Heroes

Just for Laughs

Grey Cup Players Awards

George Carlin

Regina Symphony Orchestra—Mostly Tchaikovsky
2 Performances

Christian Schools—Les Miserables
2 Performances

Huron Carole

## December 2003

Stuart MacLean

Regina Symphony Orchestra—Ho! Ho! Ho! With the RSO

# SERVING COMMUNITIES

## JANUARY 2004

Salute to Vienna

Regina Symphony Orchestra –La Diva

Jann Arden

## FEBRUARY 2004

Regina Symphony Orchestra

Opera Saskatchewan—Cinderella
2 Performances

## MARCH 2004

Kinsmen Telemiracle

Optimist Band Festival

Regina Symphony Orchestra
Northern Sounds

Regina Symphony Orchestra

Tom Jones

To engage in entrepreneurial activities to promote the use of the Centre.

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# ENTREPRENEURIAL ACTIVITIES

The Centre of the Arts was pleased to present a variety of exciting projects in 2003-2004 including the Golf Expo, the Seniors Brunch Hosted by Her Honour The Lieutenant Governor of Saskatchewan, The Bridal Show (the largest bridal show in Saskatchewan) and others. These exciting events were met with great enthusiasm and enjoyed by thousands of patrons.

We presented our annual Christmas party for small businesses in December and this year expanded it to three nights. This event sold out once again with patrons enjoying an abundant buffet in seasonal atmosphere while being entertained with live comedy performed by Leland Klassen of Vancouver.

We were also pleased to provide the theme décor and be the host to The CFL Players Awards and The Grey Cup Gala.

**"The pre-show dinner for Miss Saigon was excellent as always."**
**Dallas Taylor,** ***Taylor Volkswagon Audi***

To promote arts and educational activities for all ages, with special attention to the youth to ensure continual audience development now and in the future.

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## Growth

We have continued to take care to program a variety of arts entertainment for our community and attempt to secure special promotional offers or group sales opportunities for our youth to attend performances, Master Classes and Venue Tours.

We continue to provide tours of the Centre and have continued our participation in the Week in Wascana Program allowing youth to see our industry from the inside.

We are pleased to have provided tickets for theatre shows through the Regina and District Food Bank and The Regina City Police to inner city children.

# RISK

Risk Management is key to protecting business interests and future viability. The Saskatchewan Centre of the Arts is exposed to many different risks in its dual role as a self-financing Theatre and Convention, Catering Business and a representative for the Provincial Government in their commitment to Culture.

The first concern of the Board of Directors and senior management is strategic risk. Failure to properly execute strategy to meet the needs of our clients and the mandate set by the government can dramatically impact the corporation's business. Without an appropriate overall business strategy, the Centre's other interests could be compromised as well.

Therefore, the Centre has identified major risks and potential barriers to success and developed strategies to ensure that these risks and barriers can be addressed by timely identification, assessment and prioritization of risks. We continue to review the management practices at The Saskatchewan Centre of the Arts and to identify gaps in current risk management practices.

# LISTEN TO WHAT OUR PATRONS ARE SAYING

"Excellent Staff, fantastic food at affordable prices." Ann Mousseau, National Life

"Staff Hospitality was excellent. Staff were friendly, helpful, ensured quick response whenever a request was made." Tina Moscaliuk, Business Development Bank

"Staff made sure everything we needed was looked after including some things we did not ask for but were appreciated." Wally Burnett, TD/Canada Trust

"Staff helpful and courteous, prompt and professional." Linda Huynink, Regina Business & Professional Women

"All of your staff are excellent." Jim Webster, EXP Consulting

"This was the best!! - Excellent Facility." Lorraine Johnson, Canadian Liver Foundation

"Everyone is always ready to help." Jack Quigley, World Wide Church of God

"Excellent—I will be back." Helen McDonald, Helen Anne Designs

"Great Facility, Great Service. Thank you." David Berrault, O'Neill High School

"The food was exceptional—the quiche was to die for. We look forward to booking other events at the Centre." Gloria Daum, Women's Bible Discussion Group

# LISTEN TO WHAT OUR PATRONS ARE SAYING

**"Rave review of your staff from me! What a positive, professional group of people."** *Terri Peters, Regina Public Library*

**"We had a number of comments on our delegate evaluation sheets that said now much they enjoyed the buffet and the variety of food. The staff are always helpful and very accommodating to our needs. It makes my job so much easier."** *Penny Gingras, Sask. Assessment Management Agency*

**"All the staff were helpful and courteous. We had a great night."** *Maria Ritco, Saskatchewan Learning*

**"Thanks for everything! Your efforts helped make the crew rally a great success. Fabulous! Staff exceeded expectations!"** *Kelly Forsberg, McDonald's Restaurants*

**"I found the staff to be professional, caring and efficient. Your catering and facilities are excellent." Vicky Bonnell, Regina Roadrunners Club**

**"Excellent Service—nd response to needs were fantastic."** *Del hammerlindl, Construction Specifications Canada*

**"Everyone was most helpful. "** *Don Anderson, Saskatchewan Federation of Labour*

**"Can't single out one person—all staff were helpful and friendly. Great group of people."** *Noretta Finn, Collectors Club*

To provide opportunity for staff development to building a high level of morale and productivity.

## OUR STAFF

The Saskatchewan Centre of the Arts operates with a very small permanent support staff contingent of 25 people.

**"Worked to ensure our needs were met including special requests such as diet restrictions need special meals."**
*Jim Nick, Sask. Environment and Resource Management*

We credit our excellence in client service satisfaction to the hard work and dedication of the many part-time people who work in our front of the line positions.

**"Each and Every one of the employees were excellent. They are all to be commended."** *Kim McCrystal, SaskTel*

Our clients say it all!!!

**"Very personable, prompt and courteous service."** *Len McDonald, German Wine Society*

**"Thank you making all the changes due to so many people contacting you regarding our event."**
*Christine Smith, AIDS Program South Saskatchewan*

**"Thank you again to the incredible staff."** *Debra Ulrich, Provincial Lab*

# The Saskatchewan Centre of the Arts
# Management Report—March 2004

The Saskatchewan Centre of the Arts—Management Report—March 2004.

The management of the Saskatchewan Centre of the Arts is responsible for the integrity of the accompanying financial statements and all other information in this Annual Report. It is the responsibility of management to prepare financial statements in accordance with generally accepted accounting principles in Canada.

The accounting systems used by the Centre include an appropriate system of internal controls to provide reasonable assurance that:

- transactions are authorized.
- The Centre's assets are properly kept and financial reports are properly monitored to ensure reliable information is provided for preparation of financial statements and other information.
- The accounts are properly kept and financial reports are properly monitored to ensure reliable information is provided for preparation of financial statements and other financial information;
- The Centre has complied with authorities.
- And that the Centre operate in a fiscally responsible manner.

Management is responsible for providing reasonable assurance to the Board that the Board's financial information satisfies standards of validity and reliability. The Board reviews financial information prepared by management and discusses relevant matters with management.

The Provincial Auditor of Saskatchewan examines the Centre's system of internal control, compliance with authorities, and financial statements. A copy of the Provincial Auditor's opinions on internal control, compliance with authorities and financial statements are enclosed.

The financial statements have been examined and approved by the Board.

Jim McCrum
Executive Director
June 2004

Pat Beanland
Manager, Finance and Administration

# SASKATCHEWAN CENTRE OF THE ARTS

## FINANCIAL STATEMENTS

## For the Year Ended March 31, 2004

**Provincial Auditor Saskatchewan**

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V7

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Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

SASKATCHEWAN

## AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Centre of the Arts as at March 31, 2004 and the statements of operations and changes in fund balances, and cash flows for the year then ended. The Centre's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Provincial Auditor

Regina, Saskatchewan
June 3, 2004

# SASKATCHEWAN CENTRE OF THE ARTS
## STATEMENT OF FINANCIAL POSITION
### As at March 31

| | 2004 | | | | 2003 |
|---|---|---|---|---|---|
| | Operating Fund | Campaign Fund | Impresario Fund | Total | Total |
| **ASSETS** | | | | | |
| Current: | | | | | |
| Cash and short-term investments | $ - | $ 538,582 | $ 266,127 | $ 804,709 | $ 382,342 |
| Accounts receivable (Note 3) | 338,876 | - | - | 338,876 | 259,631 |
| Inventory | 66,121 | - | - | 66,121 | 54,338 |
| | 404,997 | 538,582 | 266,127 | 1,209,706 | 696,311 |
| | | | | | - |
| Property, plant and equipment (Note 4) | 84,692 | 42,950 | - | 127,642 | 113,724 |
| Total Assets | $ 489,689 | $ 581,532 | $ 266,127 | $ 1,337,348 | $ 810,035 |
| **LIABILITIES AND NET ASSETS** | | | | | |
| Current: | | | | | |
| Due to (from) other funds (Note 10) | $ 112,193 | $ (100,000) | $ (12,193) | $ - | $ - |
| Accounts payable and accrued charges (Note 3) | 664,906 | 100,000 | - | 764,906 | 436,675 |
| Advance sales and deposits | 574,726 | - | - | 574,726 | 275,966 |
| | 1,351,825 | - | (12,193) | 1,339,632 | 712,641 |
| Fund balances: | | | | | |
| Invested in capital assets | 84,692 | 42,950 | - | 127,642 | 113,724 |
| Externally restricted (Note 8) | - | 478,583 | - | 478,583 | 583,027 |
| Internally restricted (Note 9) | - | 59,999 | 278,320 | 338,319 | 274,147 |
| Unrestricted | (946,828) | - | - | (946,828) | (873,504) |
| Total Fund balances (Statement 2) | (862,136) | 581,532 | 278,320 | (2,284) | 97,394 |
| Total Liabilities and Fund Balances | $ 489,689 | $ 581,532 | $ 266,127 | $ 1,337,348 | $ 810,035 |

(see accompanying notes to the financial statements)

# SASKATCHEWAN CENTRE OF THE ARTS
## STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
### For the Year Ended March 31

| | General Funds | | | | | | | Restricted (Note 8) | |
|---|---|---|---|---|---|---|---|---|---|
| | Operating Fund | | | Impresario Fund | | Total | | Campaign Fund | |
| | 2004 | | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| | Budget (Note 6) | Actual (Schedule 1) | Actual (Schedule 1) | | | | | | |
| Revenues | $3,199,400 | $3,285,817 | $2,914,902 | $64,172 | $68,133 | $3,349,989 | $2,983,035 | $ - | $ - |
| Cost of sales | 1,863,125 | 1,950,153 | 1,764,882 | - | 9,889 | 1,950,153 | 1,774,771 | - | - |
| Gross Profit | 1,336,275 | 1,335,664 | 1,150,020 | 64,172 | 58,244 | 1,399,836 | 1,208,264 | - | - |
| Donations | - | - | - | - | - | - | - | 14,000 | 4,000 |
| Total Revenues | 1,336,275 | 1,335,664 | 1,150,020 | 64,172 | 58,244 | 1,399,836 | $1,208,264 | 14,000 | 4,000 |
| Expenses: | | | | | | | | | |
| Salaries and benefits | 1,185,480 | 1,131,118 | 1,074,839 | - | - | 1,131,118 | 1,074,839 | - | - |
| Utilities | 421,715 | 383,019 | 386,593 | - | - | 383,019 | 386,593 | - | - |
| General and administration | 148,700 | 260,375 | 157,486 | - | - | 260,375 | 157,486 | 100,000 | - |
| Amortization | 90,000 | 43,524 | 36,148 | - | - | 43,524 | 36,148 | 20,478 | 19,205 |
| Total expenses | 1,845,895 | 1,818,036 | 1,655,066 | - | - | 1,818,036 | 1,655,066 | 120,478 | 19,205 |
| (Deficiency) excess of revenues over expenses before grant | (509,620) | (482,372) | (505,046) | 64,172 | 58,244 | (418,200) | (446,802) | (106,478) | (15,205) |
| Grant from the General Revenue Fund | 425,000 | 425,000 | 512,000 | - | - | 425,000 | 512,000 | - | - |
| (Deficiency) excess of revenues over expenses | $ (84,620) | (57,372) | 6,954 | 64,172 | 58,244 | 6,800 | 65,198 | (106,478) | (15,205) |
| Fund balances, beginning of year | | (804,764) | (811,718) | 214,148 | 155,904 | (590,616) | (655,814) | 688,010 | 703,215 |
| Fund balances, end of year - to Statement 1 | | $ (862,136) | $ (804,764) | $278,320 | $214,148 | $ (583,816) | $ (590,616) | $581,532 | $688,010 |

(see accompanying notes to the financial statements)

# SASKATCHEWAN CENTRE OF THE ARTS
## STATEMENT OF CASH FLOWS
### For the Year Ended March 31

| | 2004 | 2003 |
|---|---|---|
| Cash flows from operating activities: | | |
| Excess of revenues over expenses in General Funds | $6,800 | $65,198 |
| Items not affecting cash: | | |
| Amortization in Operating Fund | 43,524 | 36,148 |
| Change in non-cash working capital in General Funds: | | |
| (Increase) decrease in accounts receivable | (79,245) | 119,715 |
| (Increase) in inventory | (11,783) | (4,423) |
| Increase in accounts payable and accrued charges | 228,231 | 44,316 |
| Increase in advance sales and deposits | 298,760 | 142,997 |
| Cash flows from operating activities | 486,287 | 403,951 |
| Cash flows (used in) investing activities | | |
| Purchase of property, plant and equipment | (77,920) | (110,592) |
| Cash flows from financing activities: | | |
| Donations restricted for capital purposes | 14,000 | 4,000 |
| Net increase in cash position | 422,367 | 297,359 |
| Cash position, beginning of year | 382,342 | 84,983 |
| Cash position, end of year | $804,709 | $382,342 |
| Cash consists of: | | |
| Cash | $305,586 | $382,342 |
| Short-term investments | 499,123 | - |
| | $804,709 | $382,342 |

(see accompanying notes to the financial statements)

# SASKATCHEWAN CENTRE OF THE ARTS
# NOTES TO THE FINANCIAL STATEMENTS
# MARCH 31, 2004

## 1. Status of Centre

The Board of the Saskatchewan Centre of the Arts is continued under *The Saskatchewan Centre of the Arts Act, 2000*, to maintain, operate and manage the Saskatchewan Centre of the Arts in Regina. The Act also continued the Saskatchewan Centre of the Arts Fund through which all financial transactions are conducted which relate to accomplishing the purposes of the Act.

The ongoing operations of the Saskatchewan Centre of the Arts are dependent on funding from the General Revenue Fund.

## 2. Significant Accounting Policies

These financial statements have been prepared using Canadian generally accepted accounting principles for not-for-profit organizations. The Saskatchewan Centre of the Arts follows the restricted fund method of accounting for contributions. The Saskatchewan Centre of the Arts (Centre) is comprised of three funds: Operating Fund, Impresario Fund, and Campaign Fund. The Operating Fund and Impresario Fund, known as General Funds, do not have external restrictions while the Campaign Fund is subject to external restrictions.

The Operating Fund accounts for the Centre's primary operating activities. This Fund reports unrestricted resources and holds capital assets (see Note 4).

The Impresario Fund has no external restrictions and is used for supporting and promoting the arts. The Board requires management to seek specific approval of the Board to spend the assets of the Fund.

The Campaign Fund reports assets (see Note 4), liabilities, revenues and expenses related to the Centre's campaign to raise funds to begin to address replacement of its programming equipment and the rejuvenation of the overall appearance of the Centre. The Campaign Fund reports resources contributed and the use of those resources.

The following accounting policies are considered to be significant:

a) Revenue Recognition

For the General Funds, revenue is recognized at the date of the performance and is recorded net of payments to promoters.

Donations externally restricted to the Campaign Fund are recorded as revenue when collection is certain.

b) Grant from the General Revenue Fund

The grant provided by the General Revenue Fund through the Department of Culture, Youth and Recreation is recorded in the year received or receivable.

c) Property, plant and equipment

Property, plant and equipment are recorded at cost. Amortization is provided for using the straight-line method over the expected useful life (ranges from 3 to 5 years) of the property, plant and equipment, with a full year's amortization taken in the year of acquisition. The Centre capitalizes property, plant and equipment costing more than $5,000.

Amortization is recorded in the fund where the related property, plant and equipment reside.

d) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined on a first in, first out basis.

e) Short-term investments

Short-term investments are carried at cost, which approximates market value.

**3. Financial Instruments**

The Centre's financial instruments include short-term investments, accounts receivable and accounts payable and accrued charges. The fair value of these instruments approximate their carrying value due to their immediate or short-term nature.

Short-term investments of $499,123 (2003-$0) consist of term deposits that mature on April 16, 2004 and April 30, 2004 with effective interest rates of 2.20% and 2.23%.

The Centre is exposed to credit risk from potential non-payment of accounts receivable. Most of the receivables were received shortly after year-end reducing the credit risk.

## 4. Property, Plant and Equipment

a) Operating Fund

| | 2004 | | | 2003 |
|---|---|---|---|---|
| | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| Theatre equipment | $ 399,335 | $ 378,997 | $ 20,338 | $ 29,935 |
| Convention & catering equipment | 139,448 | 134,022 | 5,426 | 3,706 |
| Office equipment | 253,325 | 224,274 | 29,051 | 5,295 |
| Building equipment | 719,923 | 705,450 | 14,473 | 8,366 |
| Bar equipment | 86,450 | 71,046 | 15,404 | 21,438 |
| | $ 1,598,481 | $ 1,513,789 | $ 84,692 | $ 68,740 |

b) Campaign Fund

| | 2004 | | | 2003 |
|---|---|---|---|---|
| | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| Theatre equipment | $ 174,443 | $ 131,493 | $ 42,950 | $ 44,984 |
| Convention & catering equipment | 7,834 | 7,834 | — | — |
| Building equipment | 4,219 | 4,219 | — | — |
| | $ 186,496 | $ 143,546 | $ 42,950 | $ 44,984 |

## 5. Building and Site

The building and site have been leased by the Saskatchewan Property Management Corporation (SPMC) to the Saskatchewan Centre of the Arts for an annual rental of one dollar. The fair value of the building and site is not reasonably determinable. The terms of the lease requires the Centre to keep the building, and all other property contained therein, in good repair and condition with the provision that any major maintenance, renovations and construction project costing in excess of $5,000 shall be the responsibility of SPMC. In addition, SPMC is responsible for charges by the Wascana Centre for services to the land and building as stipulated under *The Wascana Centre Act*. The current lease agreement expired July 31, 2003. SPMC and Saskatchewan Centre of the Arts are currently negotiating a new lease.

## 6. Budget

These amounts represent the budget approved by the Centre's Board of Directors on June 23, 2003.

## 7. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Centre by virtue of common control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). Also, the Centre is related to non-Crown enterprises that the Government jointly owns or significantly influences.

Routine operating transactions with related parties are recorded at the agreed upon rates and are settled on normal trade terms. The following table summarizes the significant routine related party transactions for the year.

| | 2004 | 2003 |
|---|---|---|
| Accounts receivable | $ 91,547 | $ 19,064 |
| Accounts payable & accrued charges | 265,348 | 64,340 |
| Revenues | 312,357 | 304,740 |
| Expenses: | | |
| Utilities | 444,848 | 417,510 |
| Supplies, services and maintenance | 8,984 | 9,642 |
| Salaries and benefits | 180,786 | 170,814 |
| General and administration | 200,000 | - |

Included in accounts payable and accrued charges and general and administration expense is $200,000 to settle a dispute with Saskatchewan Property Management Corporation (SPMC) for repayment of repairs and maintenance to the building which were completed by SPMC in the past. Other transactions and amounts due to and from related parties are described separately in the financial statements and the notes thereto.

The Centre collected and remitted Liquor Consumption Tax of $33,342 (2003 - $35,180) for the Saskatchewan Department of Finance. In addition, the Centre pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

## 8. External Restrictions

In 1996, the Centre launched the Campaign Fund to raise funds to begin to address replacement of its capital assets including programming equipment and rejuvenation of the overall appearance of the Centre. The Centre has raised $765,080 (2003 - $751,080) to date from external sources for the Campaign Fund. To date, the Centre has used $186,497 (2003 - $168,053) from the Campaign Fund to purchase capital assets and $100,000 to settle a dispute with SPMC for repayment of repairs and maintenance to the building. The balance, $478,583 (2003 - $583,027), remains externally restricted to acquire capital assets and to rejuvenate the overall appearance of the Centre. Under section 24(7) of *The Saskatchewan Centre of the Arts Act, 2000*, the Board is not bound

by the directions of any person making a contribution to a restricted fund but the Board shall consider the directions of the person who makes such a contribution. The Board has agreed to honour the restrictions placed by donors.

## 9. Internally Restricted Funds

In 1997/98, the Board of Directors restricted the use of $59,999 of the net assets available in the Impresario Fund for capital purposes and transferred that amount to the Campaign Fund. Also the Board has restricted the use of $278,320 (2003 - $214,148) of the net assets available in the Impresario Fund. Accordingly, these net assets are not available for Operating Fund purposes without the approval of the Board.

## 10. Due to (from) Other Funds

The Centre used net assets of the Campaign Fund and the Impresario Fund to finance activities in the Operating Fund. At March 31, 2004 the Operating Fund owed $112,193 (2003 - $474,832) to the Campaign and Impresario Funds. The Operating Fund does not pay interest on these amounts and no formal arrangements, including repayment terms, are in place for these loans.

## 11. Comparative Figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Schedule 1

# SASKATCHEWAN CENTRE OF THE ARTS
## SCHEDULE OF REVENUE AND COST OF SALES FOR THE OPERATING FUND
## For the Year Ended March 31

| | 2004 | | 2003 |
|---|---|---|---|
| | Budget (Note 6) | Actual | Actual |
| Revenues: | | | |
| Catering | $ 1,314,400 | $ 1,319,574 | $ 1,094,474 |
| Service charges | 702,000 | 788,465 | 712,386 |
| Rentals | 451,000 | 527,183 | 440,957 |
| Refreshment bar | 424,000 | 378,434 | 384,019 |
| Commissions | 180,000 | 159,293 | 160,123 |
| Office rental | 53,500 | 53,426 | 53,426 |
| Sundry | 30,000 | 14,278 | 27,756 |
| Coat check | 24,000 | 25,392 | 21,827 |
| Car park | 12,000 | 13,301 | 11,346 |
| Investment income | 8,500 | 6,471 | 8,588 |
| Total revenues | 3,199,400 | 3,285,817 | 2,914,902 |
| Cost of sales: | | | |
| Salaries & benefits | 866,225 | 907,086 | 811,137 |
| Food & beverages | 575,100 | 516,414 | 456,913 |
| Supplies, services, and maintenance | 314,900 | 363,482 | 361,128 |
| Other | 106,900 | 163,171 | 135,704 |
| Total cost of sales | 1,863,125 | 1,950,153 | 1,764,882 |
| Gross profit | $ 1,336,275 | $ 1,335,664 | $ 1,150,020 |

## AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited Saskatchewan Centre of the Arts' (Centre) control as of March 31, 2004 to express an opinion as to the effectiveness of its control related to the following objectives.

- To safeguard public resources. That is, to ensure its assets are not lost or used inappropriately; to ensure it does not inappropriately incur obligations; to establish a financial plan for the purposes of achieving its financial goals; and to monitor and react to its progress towards the objectives established in its financial plan.
- To prepare reliable financial statements.
- To conduct its activities following laws, regulations and policies related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

I used the control framework developed by The Canadian Institute of Chartered Accountants (CICA) to make my judgements about the effectiveness of the Centre's control. I did not audit certain aspects of control concerning the effectiveness, economy, and efficiency of certain management decision-making processes.

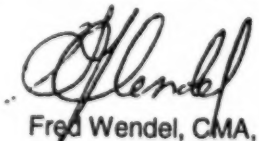
The CICA defines control as comprising those elements of an organization that, taken together, support people in the achievement of the organization's objectives. Control is effective to the extent that it provides reasonable assurance that the organization will achieve its objectives.

The Centre's management is responsible for effective control related to the objectives described above. My responsibility is to express an opinion on the effectiveness of control based on my audit.

I conducted my audit in accordance with standards for assurance engagements established by The Canadian Institute of Chartered Accountants. Those standards require that I plan and perform an audit to obtain reasonable assurance as to effectiveness of the Centre's control related to the objectives stated above. An audit includes obtaining an understanding of the significant risks related to these objectives, the key control elements and control activities to manage these risks and examining, on a test basis, evidence relating to control.

Control can provide only reasonable and not absolute assurance of achieving objectives reliably for the following reasons. There are inherent limitations in control including judgement in decision-making, human error, collusion to circumvent control activities and management overriding control. Cost/benefit decisions are made when designing control in organizations. Because control can be expected to provide only reasonable assurance and not absolute assurance, the objectives referred to above may not be achieved reliably. Also, projections of any evaluation of control to future periods are subject to the risk that control may become ineffective because of changes in internal and external conditions, or that the degree of compliance with control activities may deteriorate.

In my opinion, based on the limitations noted above, the Centre's control was effective, in all material respects, to meet the objectives stated above as of March 31, 2004 based on the CICA criteria of control framework.



Regina, Saskatchewan
June 3, 2004

Fred Wendel, CMA, CA
Provincial Auditor

## AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have made an examination to determine whether the Saskatchewan Centre of the Arts (Centre), complied with the provisions of the following legislative and related authorities pertaining to its financial reporting, safeguarding public resources, spending, revenue raising, borrowing and investing activities during the year ended March 31, 2004:

*The Saskatchewan Centre of the Arts Act, 2000*
Orders In Council issued pursuant to the above Act
*The Financial Administration Act, 1993*, Section 46(1)(a)
*The Tabling of Financial Documents Act, 1991*

My examination was made in accordance with Canadian generally accepted auditing standards; and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the Centre has complied, in all significant respects, with the provisions of the aforementioned legislative and related authorities during the year ended March 31, 2004.

Regina, Saskatchewan
June 3, 2004

Fred Wendel, CMA, CA
Provincial Auditor